GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2956
ANSWERED ON:10.08.2001
MARKET BORROWINGS
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has issued a cautionary note to the Government on market borrowings;

(b) if so, whether the Government have resorted to market borrowings to finance expenditure in the last two years;

(c) if so, the extent of increase in market borrowings during the last two years, year-wise;

(d) whether any efforts will made to reduce dependence on market borrowings by the Government; and (g) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) No, Sir.

(b) Government raised market loans from time to time in order to meet the gap between receipts and expenditure.

(c) The details are as under:- (Rs. Crore)

Year	Increase over previous year
1999-2000	2877
2000-2001	13553

(d) & (e) The Government has taken several expenditure management measures and is making all efforts to increase tax revenues with a view to containing revenue and fiscal deficits. The Government has introduced a Bill titled`Fiscal Responsibility and Budget Management Bill` in the Lok Sabha on 21stDecember, 2000. The Bill provides, inter-alia, for a legal and institutionalframework to eliminate revenue deficit, bring down the fiscal deficit and contain growth of public debt as proportion to GDP within a time-frame.